

HOUSE BILL No. 1165

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-3-13.

Synopsis: Tax credit for truck auxiliary power unit. Provides an income tax credit to a taxpayer for purchasing and installing an auxiliary power unit in the taxpayer's commercial motor vehicle.

Effective: January 1, 2007 (retroactive).

Cochran, Kuzman

January 11, 2007, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1165

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-3-13 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2007 (RETROACTIVE)]: **Sec. 13. (a) As used in this**
4 **section, "auxiliary power unit" means a portable, truck mounted**
5 **system that provides climate control and power for a commercial**
6 **motor vehicle that is not idling.**

7 **(b) As used in this section, "commercial motor vehicle" has the**
8 **meaning set forth in IC 9-13-2-31.**

9 **(c) As used in this section, "pass through entity" means a:**

10 **(1) corporation that is exempt from the adjusted gross income**
11 **tax under IC 6-3-2-2.8(2);**

12 **(2) partnership;**

13 **(3) trust;**

14 **(4) limited liability company; or**

15 **(5) limited liability partnership.**

16 **(d) As used in this section, "taxpayer" means an individual, a**
17 **corporation, a partnership, or other entity that has state tax**

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liability.

(e) As used in this section, "total unit cost" means the taxpayer's purchase price of the auxiliary power unit plus the taxpayer's cost to install the auxiliary power unit in the taxpayer's commercial motor vehicle.

(f) A taxpayer is entitled to a credit against the taxpayer's adjusted gross income tax liability imposed by IC 6-3-1 through IC 6-3-7 for each auxiliary power unit first placed in service by the taxpayer after December 31, 2006. A taxpayer may not claim a credit under this section for an auxiliary power unit for which the taxpayer has previously claimed a credit.

(g) The amount of the credit is equal to twenty percent (20%) of the taxpayer's total unit cost for each auxiliary power unit placed in service by the taxpayer in a taxable year.

(h) A taxpayer entitled to a credit under this section must claim:

(1) one-half (1/2) of the credit in the taxable year in which the auxiliary power unit was placed in service; and

(2) one-half (1/2) of the credit in the taxable year following the year described in subdivision (1).

(i) To obtain the credit provided by this section, the taxpayer must:

(1) claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department;

(2) submit the vehicle identification number of the commercial motor vehicle that contains the auxiliary power unit for which a credit is being claimed; and

(3) submit to the department proof of all information that the department determines is necessary for the calculation of the credit.

(j) A taxpayer is not entitled to a credit under this section if the auxiliary power unit for which the credit is being claimed was purchased for the purpose of resale.

(k) If a pass through entity does not have adjusted gross income tax liability against which the credit may be applied, a shareholder or partner of the pass through entity is entitled to a credit equal to:

(1) the credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

SECTION 2. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]
IC 6-3-3-13, as added by this act, applies to taxable years beginning after December 31, 2006.

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1 **SECTION 3. An emergency is declared for this act.**

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